

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7051

BILL NUMBER: HB 1294

NOTE PREPARED: Dec 31, 2008

BILL AMENDED:

SUBJECT: Utility Receipts Tax Exemption for Foundries.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill exempts from the Utility Receipts Tax certain utility services used in the direct production of tangible personal property in the person's business of metal casting manufacturing.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Department of State Revenue (DOR):* This bill will result in an increase in administrative costs for the DOR by requiring the DOR to revise Utility Receipts Tax forms as well as update computer software. Any impact on administrative costs should be covered under their existing level of resources.

Explanation of State Revenues: *Impact on Utility Receipts Tax (URT) Collections:* This bill will decrease URT collections by an indeterminable amount. The bill provides that gross receipts are exempt from URT if the receipts are derived from the sale of utility services to a person who acquired the utility services for direct production of tangible personal property in the person's business of metal casting manufacturing (as described by NAICS code 3315).

The rate for the URT is 1.4%. The URT is calculated on the gross receipts of all entities providing the retail sale of utility services in Indiana and is deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOR.

Local Agencies Affected:

Information Sources:

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